

Natural Gas Customer Choice in California

Core Gas Aggregation Service

Customers of major CPUC-regulated natural gas utilities in California have the option to obtain their supply of natural gas from a non-utility supplier.

The California Public Utilities Commission (CPUC) allows all customers of the major CPUC-regulated natural gas utilities the option to procure their supply of natural gas from a non-utility gas supplier. The intent of this allowance is to offer natural gas customers the chance to benefit from free market competition between unregulated gas suppliers. For “core” gas customers, i.e. mainly residential and small commercial customers, this program is referred to as either the “core aggregation” service or the “core transportation” service. It has been in place since the early 1990’s.

All non-utility natural gas suppliers (also known as “core transport agents” or “CTAs”) are required to register with the CPUC. The CPUC’s regulatory oversight over CTAs extends to maintaining consumer protection, enforcing registration requirements, and ensuring standards of conduct. The CPUC does not regulate the rates charged by non-utility natural gas suppliers.

Until recently, core transport agents were bound only to the rules of agreements signed with the utility companies, operating completely outside the jurisdiction of the CPUC. Following the passage of Senate Bill 656, core transport agents will be regulated by the CPUC when a decision is reached in Proceeding R.14-03-002, likely in Fall of 2014.

The Commission allows CTAs to set their own rates in order to pass any benefits of competition on to the consumer and preserve the intent of natural gas deregulation. The CPUC’s new regulatory jurisdiction focuses instead on establishing consumer protection standards. All core transport agents operating in California are now required to register with the Commission. The registration materials help the CPUC ensure that CTAs meet certain standards of operational capability and have histories of good conduct. In addition, SB 656 granted the CPUC the authority to prosecute CTAs that do not comply with minimum standards of conduct set forth in Public Utilities Code Sections 980 - 989.5. If you have a complaint against a non-utility natural gas supplier, it will now be possible for the CPUC to attempt to resolve your complaint. To report a complaint against a non-utility natural gas supplier, please use the following link to contact the CPUC Consumer Affairs Branch:

<http://www.cpuc.ca.gov/puc/aboutus/Divisions/CSID/Consumer+Affairs/>.

For the section of Public Utilities Code relating to core aggregation, follow this link:

<http://www.leginfo.ca.gov/cgi-bin/displaycode?section=puc&group=00001-01000&file=980-989.5>

Core gas aggregators must still follow utility gas rules, available in the tariff book of the utilities (see links below).

If you choose a non-utility gas supplier, the CPUC-regulated utility will still deliver your natural gas, and will respond to gas emergencies or concerns about gas leaks.

Under the core aggregation service, the natural gas utility will still deliver your natural gas supplies, and you must still pay the utility for that service. The billing for your gas supply may be done by either the gas supplier or by the utility.

Also, if you believe you detect a natural gas leak or have some type of natural gas emergency, immediately call your natural gas utility, not the non-utility supplier.

If your non-utility supplier fails to provide adequate supplies to the utility system or goes out of business, the CPUC-regulated utility will still deliver natural gas to you.

For core customers, the CPUC-regulated utility will be your back-up supplier in the event that your non-utility supplier fails to deliver adequate supplies to the utility system or goes out of business. You will still receive uninterrupted gas service from the utility but will then be billed for the supplies provided by the utility, at the CPUC-approved utility procurement rate.

Additional information, including a listing of some natural gas suppliers, is available on the large utility web sites.

You can find additional information and a list of some natural gas suppliers on the large utility web sites. Neither the CPUC nor the utility endorses or approves these suppliers. They are only listed for your convenience. See the following links:

For PG&E:

<http://pge.com/myhome/customerservice/energychoice/coregasaggregation/index.shtml>

PG&E Core Aggregator rules:

http://www.pge.com/tariffs/tm2/pdf/GAS_RULES_23.pdf

For SoCalGas:

<http://socalgas.com/business/customerChoice/>

SoCalGas Core Aggregator rules:

<http://www.socalgas.com/regulatory/tariffs/tm2/pdf/32.pdf>

For SDG&E:

<http://sdge.com/business/custChoiceGas.shtml>

SDG&E Core Aggregator rules:

<http://www.socalgas.com/regulatory/tariffs/tm2/pdf/32.pdf>

If you have further questions, please contact:

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